



Mortgage Package Offer (MPO)

DRAFT

Name of Originator _____ Borrower _____
Property Address _____ Address _____

Phone _____

About Your MPO

What is an MPO? This MPO is an offer for a mortgage loan from us that includes:

- A guaranteed price for a package that includes most of the settlement services needed to get the loan.
- An interest rate and points that are guaranteed if you accept this offer and lock in by ____/____/____. Otherwise, they will float until you lock.
- An agreement that binds us to provide you the loan described in this document if you are approved for this loan.

This MPO is based on your statements that your gross monthly income is \$ _____, the value of the property is \$ _____ and on a credit analysis that we conduct. We will verify your monthly income, the property value, your credit rating, and other information that you've provided to us.

How should you use this MPO to shop for the best loan? You are the only one who can shop for the best loan for you. You should compare this MPO with other loan offers. By comparing loan offers, you can shop for the best loan. Use the table on page 4 to compare all the offers you receive.

The terms and conditions of this MPO are valid for 10 business days from this date ____/____/____.

Keep this MPO to compare with your actual costs at settlement.

Summary of Your Loan Terms for This Estimate

Your Loan Details

Your loan amount will be:		\$ _____
Your loan is	<input type="checkbox"/> A Fixed Rate Loan	<input type="checkbox"/> An Adjustable Rate Loan
Your interest rate	_____ %	_____ % initially, then it will adjust. The interest rate adjustment will be based on the _____ index and can change up to _____ percentage points. Your first adjustment will occur in _____ (months or years)
Your loan term	_____ years	_____ years
Your monthly payment for principal, interest, and any mortgage insurance	\$ _____	\$ _____ The maximum your monthly payment for principal, interest, and any mortgage insurance could be is \$ _____
Your rate lock period	_____ days. After you lock in your interest rate, you must go to settlement within this number of days to be guaranteed this interest rate.	
Does your loan have a prepayment penalty?	<input type="checkbox"/> Yes, your maximum prepayment penalty is \$ _____ <input type="checkbox"/> No	
Does your loan have a balloon payment?	<input type="checkbox"/> Yes, you have a balloon payment of \$ _____ due in _____ years. <input type="checkbox"/> No	

The interest rate and monthly payment shown above can change until you lock in your interest rate.

Your Settlement Costs

Charge for Your Guaranteed Mortgage Package (item 1 on page 2)	_____
Charge or Credit for the Specific Interest Rate Chosen (item 2 on page 2)	_____
Estimated Charges for Settlement Services Outside the Package (items 3-6 on page 2)	_____
Total Estimated Settlement Charges \$ _____	

Understanding Your Settlement Charges

DRAFT Charge for Your Guaranteed Mortgage Package

 Mortgage Package Offer (MPO)

- 1. Your guaranteed mortgage package**
Your guaranteed mortgage package is one fixed price for most of the services that you will need to get your loan. This price cannot change before settlement. This package includes the charges for the following services, if needed:
Service charge
This charge is for the services we provide when we process this loan for you.
Other required settlement services
This charge is for certain services we require to complete your settlement, for example, an appraisal, credit report, or survey. We will choose the providers of these services.
Title services and lender's title insurance
This charge includes the services of a settlement agent, for example, and title insurance to protect the lender, if required.
Taxes and fees
This charge includes state and local taxes and fees.

Charge for Your Guaranteed Mortgage Package

\$

Charge or Credit for the Specific Interest Rate Chosen (Points)

- 2. Your credit or charge for the specific interest rate chosen (points)**
☐ You receive a credit of \$ _____ for this interest rate of ____%.
This credit reduces your upfront charges.
☐ You pay a charge of \$ _____ for this interest rate of ____%.
This payment (discount points) increases your upfront charges.
(See the table on page 3 to see how you can change this charge or credit by choosing a different interest rate.)

Charge or Credit for the Specific Interest Rate Chosen

\$

Estimated Charges for Settlement Services Outside the Package

3. Reserves or escrow This charge is held in an escrow account to pay recurring charges on your property, such as property taxes or insurance.	
4. Daily interest charges This charge is for the daily interest on your loan from the day of your settlement until the first day of the next month or the first day of your normal mortgage payment cycle. For this loan, this amount is \$ _____ per day for _____ days (if your closing date is ____/____/____).	
5. Homeowner's insurance This charge is for the insurance you must buy for the property to protect from a loss such as fire.	
6. Optional owner's title insurance This charge is for insurance you can choose to buy to protect yourself from title defects.	

Estimated Charges for Settlement Services Outside the Package

\$

Total Estimated Settlement Charges

\$

Charges That Can Change

All of the charges listed above can change at settlement **except** for the Charge for Your Guaranteed Mortgage Package and the mortgage insurance. The Charge or Credit for the Specific Interest Rate Chosen can change until you lock in your interest rate.

Services That Will Be in This Package

As part of this mortgage package, we will obtain certain services as indicated below.

	Yes	No		Yes	No
Property Appraisal	<input type="checkbox"/>	<input type="checkbox"/>	Closing Services	<input type="checkbox"/>	<input type="checkbox"/>
Credit Report	<input type="checkbox"/>	<input type="checkbox"/>	Title Search	<input type="checkbox"/>	<input type="checkbox"/>
Pest Inspection	<input type="checkbox"/>	<input type="checkbox"/>	Title Examination	<input type="checkbox"/>	<input type="checkbox"/>
Survey	<input type="checkbox"/>	<input type="checkbox"/>	Lender's Title Insurance	<input type="checkbox"/>	<input type="checkbox"/>

Understanding the Trade-off Between the Charges for Your Loan and Your Interest Rate

	The loan in this MPO	A loan with a lower interest rate	A loan with lower settlement costs
Your loan amount	\$	\$	\$
Your interest rate	%	%	%
How much your monthly payment will be	\$	\$	\$
How much more or less in monthly payments from this MPO	No Change	You will pay \$ less every month	You will pay \$ more every month
How much more or less you will pay at settlement with this interest rate	No Change	Your lower interest rate will raise your settlement costs by \$	Your higher interest rate will lower your settlement costs by \$
How much your total estimated settlement charges will be	\$	\$	\$

We have offered you a particular interest rate and estimated settlement costs in this MPO. But, it is important that you see how this loan compares to others that you could choose.

- If you want to choose a loan with a **lower interest rate**, then you will have **higher settlement costs**.
- If you want to choose a loan with **lower settlement costs**, then you will have a **higher interest rate**.

The table above shows how the loan that we've offered you in this MPO compares to these different options. The loan in this MPO is in the first column. In the middle column is a loan with a **lower interest rate**. In the last column is a **loan with lower settlement costs**.

If you want one of these options, you can ask for a new MPO.

If this loan offer is for an adjustable rate mortgage, the comparisons in the table are for the initial interest rate before any adjustments are made.

Accepting This Mortgage Package Offer

What should you do if you want to accept this offer?

- You will need to pay a fee of \$ _____ which will be applied towards your settlement charges.
- You will need to decide to lock in an interest rate now or later. Check the option you would like:
 - ☐ I want to accept the offer by signing below and locking in the interest rate now.
 - ☐ I want to accept the offer by signing below and will wait to lock in the interest rate.

I realize I must lock in the interest rate at least _____ days before settlement.

What happens once you accept this offer? We will verify your monthly income, the property value, your credit rating, and other information that you've provided to us. We may ask you for more information. Then we will complete the evaluation of your mortgage application. If you are approved, we will provide the mortgage loan and settlement services exactly as we've outlined in this offer.

What if you are not sure you want to accept this offer? This offer of \$ _____ (Guaranteed Mortgage Package Charges), _____ (Interest Rate), and \$ _____ (Charge or Credit for the Specific Interest Rate Chosen) is valid until ____/____/____ (date).

From ____/____/____ until ____/____/____, the package price is still guaranteed, but the interest rate and points offered will float. The interest rate and points will stop floating when you lock them. You can find current interest rates and points options by going to:

If you do not accept by ____/____/____, this offer will expire.

Our Signature _____

Date _____

Your Signature _____

Date _____

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Mortgage Shopping Chart

- Use this chart to compare Good Faith Estimates (GFEs) and Mortgage Package Offers (MPOs). Fill in the information by using a different column for each GFE or MPO you receive.
- By comparing loan offers, you can shop for the best loan offers, you can shop for the best loan.

	Loan 1	Loan 2	Loan 3	Loan 4	Loan 5	Loan 6
Loan Originator Name						

Loan Details

Loan Amount						
Interest Rate						
Loan Term						
Monthly Payment						

Total Estimated Settlement Charges	▶						
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